

Message Text

CONFIDENTIAL

PAGE 01 LISBON 01729 171758Z

43

ACTION EUR-12

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TO SECSTATE WASHDC PRIORITY 6407

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 1729

E.O. 11652: GDS

TAGS: PINT, PO

SUBJ: GOP TOUGH ON LABOR UNREST

REF: LISBON 1690 (DTG 161450Z MAR 76)

SUMMARY: FIRM GOVERNMENT ACTION BROUGHT AN END TO THE NURSES STRIKE MAR 17. THE GOVERNMENT HAS TEMPERED ITS NEW FIRMNESS IN THE LABOR SECTOR WITH CONCILIATORY GESTURES TOWARDS WORKERS. GOP, NERVOUS ABOUT POLITICALLY-MOTIVATED LABOR UNREST DURING THE ELECTION PERILD, IS MOVING EARLY TO ESTABLISH A TOUGH POSITION. END SUMMARY.

1. NURSES STRIKE ENDS: STRIKING NURSES RETURNED TO WORK

CONFIDENTIAL

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PAGE 02 LISBON 01729 171758Z

MORNING OF MAR 17 FOLLOWING STRONG STAND TAKEN BY BOTH

REVOLUTIONARY COUNCIL AND COUNCIL OF MINISTERS. BOTH RC AND MINISTERS HAD DENOUNCED, IN ALMOST IDENTICAL TERMS, WAVE OF STRIKES AS CONSTITUTING UNACCEPTABLE POLITICAL PRESSURE ON GOVERNMENT. CABINET ON EVENING OF MAR 16 ANNOUNCED IT HAD AUTHORIZED MINISTRY OF SOCIAL AFFAIRS TO TAKE "ALL LEGAL MEASURES" TO ENSURE NORMAL FUNCTIONING OF ESSENTIAL MEDICAL SERVICES. RC HAD EARLIER ANNOUNCED THAT STRIKE LAWS WOULD BE RIGIDLY ENFORCED, INCLUDING NON-PAYMENT OF SALARIES DURING STRIKE PERIOD. FACED WITH DETERMINED GOVERNMENT, INCREASING SIGNS OF FISSURES WITHIN THEIR OWN RANKS, AND MOUNTING PUBLIC CRITICISM, THE NURSES GAVE IN. THE UNION ISSUED A STATEMENT MORNING OF MAR 17 CALLING UPON THEIR MEMBERS TO RETURN TO WORK AT 9:00 AM.

2. SANIMAR DISPUTE: FACED WITH REFUSAL BY A SELF-APPOINTED WORKERS COMMISSION AT SANIMAR -- A MEDIUM-SIZE DOMESTIC APPLIANCE AND FIXTURE MANUFACTURER -- TO ACCEPT NEWLY-DESIGNATED GOP ADMINISTRATORS, THE GOVERNMENT SENT IN SEVERAL HUNDRED NATIONAL GUARDSMEN TO DISLODGE THE WORKERS AND SEAL THE PREMISES WHILE DISCUSSIONS CONTINUE.

3. WORKERS PURGES HALTED: THE MINISTRY OF LABOR ON MAR 16 ANNOUNCED THAT IT WOULD NOT PERMIT FURTHER PURGES OF WORKERS AT A NUMBER OF TEXTILE MILLS IN THE NORTH. THE ACTION WAS PRIMARILY DIRECTED AT ENDING MANAGEMENT ABUSES, BUT IN AT LEAST ONE INSTANCE -- THAT OF THE MANUEL GONCALVES FIRM -- THE PURGE OF 17 LEFTIST EMPLOYEES HAD BEEN CARRIED OUT BY THE WORKERS THEMSELVES.

4. FIRESTONE: IN A PROBABLY UNSUCCESSFUL EFFORT TO CLOSE THE BOOKS ON THE LINGERING FIRESTONE DISPUTE, THE LABOR MINISTRY ANNOUNCED ON MAR 16 THAT FIRESTONE MUST PAY RETROACTIVE WAGES IN ACCORD WITH THE FORMULA FAVORED BY ITS WORKERS, WHILE INSTRUCTING THE WORKERS TO RETURN TO THEIR JOBS. THE WORKERS MET ON MAR 16 AND AGREED TO RETURN TO WORK.

5. COMMENT: THE GOVERNMENT HAS DEMONSTRATED THAT IT IS UNITED IN ITS DETERMINATION NOT TO ALLOW LABOR STRIFE TO MAR THE ELECTION PERIOD. THE GOP CHOSE TO MAKE AN EXAMPLE

CONFIDENTIAL

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PAGE 03 LISBON 01729 171758Z

OF THE NURSES STRIKE, WHERE IT BELIEVED IT WAS DEALING FROM A STRONG POSITION WITH PUBLIC SUPPORT. THE SHOW OF FORCE IN THE SANIMAR CASE UNDERSCORED THE GOVERNMENT'S DETERMINATION. CHARACTERISTICALLY, THE GOP HAS TEMPERED ITS FIRMNESS WITH CONCILIATORY GESTURES TOWARD THE TEXTILE AND FIRESTONE WORKERS. IN THIS PRE-ELECTION PERIOD, GOP IS CLEARLY NERVOUS ABOUT DISRUPTIVE POTENTIAL OF POLITICALLY-MOTIVATED LABOR UNREST AND IS MOVING EARLY TO ESTABLISH A FIRM POSITION.

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